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FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

AUG 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

Local Exchange Carriers' Rates,  
Terms, and Conditions for  
Expanded Interconnection for  
Special Access

CC Docket No. 93-162

## BELL ATLANTIC'S DIRECT CASE

Bell Atlantic<sup>1</sup> hereby submits its direct case supporting its tariff for special access expanded interconnection.<sup>2</sup> The attached materials demonstrate that the rates, terms, and conditions in that tariff are fully just and reasonable.

Appendix A provides the Tariff Review Plan that the Commission required each local exchange carrier to file.<sup>3</sup> In this filing, Bell Atlantic includes only those pages and columns which are relevant to Bell Atlantic's tariff and for which it has a data entry. Nonrecurring cost data are included in Exhibits 3 through 8 of Appendix B. They are not included in the Tariff Review Plan, because they do not relate to investment, and Bell

<sup>1</sup> The Bell Atlantic telephone companies ("Bell Atlantic") are The Bell Telephone Company of Pennsylvania, the four Chesapeake and Potomac telephone companies, The Diamond State Telephone Company and New Jersey Bell Telephone Company.

<sup>2</sup> *Local Exchange Carriers' Rates, Terms, and Conditions for Expanded Interconnection for Special Access, Order Designating Issues for Investigation*, CC Docket No. 93-162, DA 93-951 (rel. July 23, 1993) ("Designation Order").

<sup>3</sup> *Id.* at App. C.

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Atlantic did not impose nonrecurring charges for recurring costs.<sup>4</sup>

Appendix B contains the responses to specific issues which the Commission designated for investigation, together with supporting exhibits. In some cases, the supporting materials justify a higher rate than is now in effect, particularly those rates which the Commission required to be adjusted downward from the rate Bell Atlantic originally filed. The Commission had required Bell Atlantic to adjust tariff rates downward to eliminate, among other things, what the Commission believed was the double counting of overheads and inappropriate inclusion of the resultant costs.<sup>5</sup> Those adjustments were inappropriate, and Bell Atlantic cannot defend them.

For example, the Commission erred when it determined that Bell Atlantic's rates "double-recovered" separate overhead cost rate elements that would ordinarily be included as fully distributed cost overheads on all rates.<sup>6</sup> The direct unit costs in Bell Atlantic's studies do not capture its share of common overheads -- they appear only in the overhead loadings. Therefore, exclusion of land and buildings from all collocation rate elements means that other ratepayers or Bell Atlantic's shareholders, not the collocators, will bear a significant part of the cost of special access providing collocation service.

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<sup>4</sup> See *Id.* at 12, ¶ 22(e).

<sup>5</sup> *Ameritech Operating Companies et al.*, 8 FCC Rcd 4589 (1993).

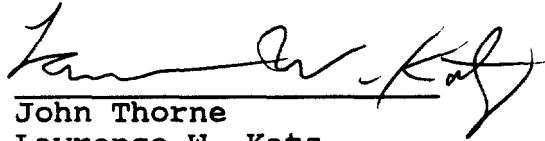
<sup>6</sup> Designation Order at ¶ 2.

With adjustment for the unreasonable upward revisions the Commission required, Bell Atlantic's special access expanded interconnection rates are fully justified and should be approved.

Respectfully submitted,

**The Bell Atlantic Telephone  
Companies**

By Their Attorneys



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August 20, 1993

**BELL ATLANTIC**

**ATTACHMENT A**

***TARIFF REVIEW PLAN***

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DS3 Cross-Connection  
Equipment Function  
Recurring Rate

Exhibit 1, p. 1 of 2

	Rate Element #1 Cross-Connect	Rate Element #2 Connection Service - Partitioned Repeaters
1 TOTAL INVESTMENT: List Plant & Equip.	\$970.63	\$758.53
2 DSX-3 Connection - 2232 - 13 yrs.	\$877.14	\$0.00
3 Repeaters - 2232 - 13 yrs.	\$0.00	\$684.69
4 Land - 2111 - 97 yrs.	\$6.64	\$5.10
5 Building - 2121 - 44 yrs.	86.85	68.74
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20		
21 DEPRECIATION EXPENSE	\$93.61	\$73.37
22 COST OF MONEY (\$ Amount)	\$87.46	\$68.39
23 COST OF MONEY (Percentage)	13.75%	13.76%
24 FEDERAL INCOME TAX	\$38.70	\$30.68
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes	\$5.19	\$3.88
27 Property Tax	\$4.23	\$3.15
28 Capital Stock	\$0.96	\$0.73
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$25.57	\$20.70
34 ADMIN and OTHER EXPENSE: List Expense	\$29.12	\$22.85
35 Network Operations Expense - 6510, 6530	\$4.15	\$2.88
36 Customer Operations - 6610	\$3.46	\$2.68
37 Corporate Operations - 6530, 6720	\$9.17	\$7.34
38 Plant Expenses - Other - 6720	\$1.52	\$1.17
39 Interest Expense - 2110	\$10.82	\$8.78
40		
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45		
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51 ANNUAL COST PER UNIT	\$279.65	\$219.87
52 MONTHLY COST PER UNIT	\$23.30	\$18.32
53 MONTHLY RATE PER UNIT	\$40.00	\$30.86
54 UNIT OF MEASUREMENT	per connection	per connection
55 RATIO: Rate / Direct Cost	1.96	1.92
56 RATIO: Rate / Unit Cost	1.72	1.68

Notes:

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DS3 Cross-Connection  
Cable and Cable Support Function  
Recurring Rate**

Exhibit 1, p. 2 of 2

	<u>Rate Element #1</u> Connection Service – Partitioned Coax Cable	<u>Rate Element #2</u> Connection Service – Partitioned Cable Rack, per foot
1	<b>TOTAL INVESTMENT: List Plant &amp; Equip.</b>	
2	Coax Cable – 2426 – 24 yrs.	\$243.70
3	Cable Racks – 2121 – 44 yrs.	\$220.00
4	Land – 2111 – 97 yrs.	\$0.00
5	Building – 2121 – 44 yrs.	\$4.82
6		\$1.64
7		\$22.06
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13		
14		
15		
16		
17		
18		
19		
20		
21	<b>DEPRECIATION EXPENSE</b>	
22		\$18.49
23	<b>COST OF MONEY (\$ Amount)</b>	
24		\$25.05
25	<b>COST OF MONEY (Percentage)</b>	
26		15.05%
27	<b>FEDERAL INCOME TAX</b>	
28		\$11.17
29	<b>STATE AND LOCAL INCOME TAX</b>	
30		\$0.26
31	<b>OTHER TAX: List Taxes</b>	
32		\$1.29
33	Property Tax	\$0.05
34	Capital Stock	\$0.04
35		\$0.01
36		
37		
38		
39	<b>MAINTENANCE EXPENSE</b>	
40		\$3.24
41	<b>ADMIN and OTHER EXPENSE: List Expense</b>	
42		\$7.32
43	Network Operations Expense – 6510, 6530	\$1.05
44	Customer Operations – 6610	\$0.02
45	Corporate Operations – 6530, 6720	\$0.87
46	Plant Expenses – Other – 6720	\$0.28
47	Interest Expense – 2110	\$0.38
48		\$0.01
49		\$2.74
50		\$0.06
51		
52		
53		
54		
55	<b>ANNUAL COST PER UNIT</b>	
56		\$66.56
57	<b>MONTHLY COST PER UNIT</b>	
58		\$5.55
59	<b>MONTHLY RATE PER UNIT</b>	
60		\$9.34
61	<b>UNIT OF MEASUREMENT</b>	
62		per connection
63		per connection, per foot
64		
65	<b>RATIO: Rate / Direct Cost</b>	
66		1.93
67	<b>RATIO: Rate / Unit Cost</b>	
68		1.68

**Notes:**

- 1) Rate Element #2: Bell Atlantic has revised its rate structure -- cable rack was removed from the connection service and is now offered on a per foot basis. The TRP shows the originally filed costs on a per foot basis. The attached exhibit X reconciles the per foot costs and the originally filed costs.
- 2) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DS3 Cross-Connection  
Equipment Function – Virtual  
Recurring Rate**

Exhibit 2, p. 1 of 2

	<u>Rate Element #1</u> <u>Cross-Connect</u>	<u>Rate Element #2</u> <u>Connection Service –</u> <u>Partitioned</u> <u>Frame/Equip. Maint.</u>
1 TOTAL INVESTMENT: List Plant & Equip.	\$970.63	\$22,889.67
2 DSX-3 Connection – 2232 – 13 yrs.	\$877.14	\$0.00
3 Fiber Distr. Shelf – 2232 – 13 yrs.	\$0.00	\$106.40
4 Equipment Maint. Expense – 2232 – 13 yrs.	\$0.00	\$20,827.13
5 Land – 2111 – 97 yrs.	\$6.64	\$138.37
6 Building – 2121 – 44 yrs.	86.85	1817.77
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21 DEPRECIATION EXPENSE	\$93.61	\$55.83
22 COST OF MONEY (\$ Amount)	\$87.45	\$228.63
23 COST OF MONEY (Percentage)	13.75%	1.23%
24 FEDERAL INCOME TAX	\$38.70	\$104.53
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes	\$5.19	\$116.60
27 Property Tax	\$4.23	\$94.04
28 Capital Stock	\$0.96	\$22.56
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$25.57	\$631.40
34 ADMIN and OTHER EXPENSE: List Expense	\$29.12	\$685.46
35 Network Operations Expense – 6510, 6530	\$4.15	\$98.82
36 Customer Operations – 6610	\$3.46	\$81.01
37 Corporate Operations – 6530, 6720	\$9.17	\$214.26
38 Plant Expenses – Other – 6720	\$1.52	\$35.76
39 Interest Expense – 2110	\$10.82	\$255.61
40		
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51 ANNUAL COST PER UNIT	\$279.64	\$1,822.45
52 MONTHLY COST PER UNIT	\$23.30	\$151.87
53 MONTHLY RATE PER UNIT	\$40.00	\$255.83
54 UNIT OF MEASUREMENT	per connection	per connection
55 RATIO: Rate / Direct Cost	1.96	3.01
56 RATIO: Rate / Unit Cost	1.72	1.68

**Notes:**

1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.



**DS3 Cross-Connection  
Cable and Cable Support Function – Virtual  
Recurring Rate**

Exhibit 2, p. 2 of 2

		<b>Rate Element #1 Connection Service – Partitioned Coax Cable</b>
1	<b>TOTAL INVESTMENT: List Plant &amp; Equip.</b>	<b>\$19.49</b>
2	Coax Cable – 2426 – 24 yrs.	\$17.60
3	Land – 2111 – 97 yrs.	\$0.13
4	Building – 2121 – 44 yrs.	\$1.76
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21	<b>DEPRECIATION EXPENSE</b>	<b>\$1.48</b>
22	<b>COST OF MONEY (\$ Amount)</b>	<b>\$2.00</b>
23	<b>COST OF MONEY (Percentage)</b>	<b>15.06%</b>
24	<b>FEDERAL INCOME TAX</b>	<b>\$0.89</b>
25	<b>STATE AND LOCAL INCOME TAX</b>	
26	<b>OTHER TAX: List Taxes</b>	<b>\$0.10</b>
27	Property Tax	\$0.08
28	Capital Stock	\$0.02
29		
30		
31		
32		
33	<b>MAINTENANCE EXPENSE</b>	<b>\$0.26</b>
34	<b>ADMIN and OTHER EXPENSE: List Expense</b>	<b>\$0.58</b>
35	Network Operations Expense – 6510, 6530	\$0.08
36	Customer Operations – 6610	\$0.07
37	Corporate Operations – 6530, 6720	\$0.18
38	Plant Expenses – Other – 6720	\$0.03
39	Interest Expense – 2110	\$0.22
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51	<b>ANNUAL COST PER UNIT</b>	<b>\$5.31</b>
52	<b>MONTHLY COST PER UNIT</b>	<b>\$0.44</b>
53	<b>MONTHLY RATE PER UNIT</b>	<b>\$0.75</b>
54	<b>UNIT OF MEASUREMENT</b>	<b>per connection</b>
55	<b>RATIO: Rate / Direct Cost</b>	<b>1.93</b>
56	<b>RATIO: Rate / Unit Cost</b>	<b>1.68</b>

**Notes:**

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

DS1 Cross-Connection  
Equipment Function  
Recurring Rate

Exhibit 3, p. 1 of 2

	Rate Element #1 Cross-Connect	Rate Element #2 Connection Service – Partitioned Repeaters
1 TOTAL INVESTMENT: List Plant & Equip.	\$63.16	\$379.26
2 DSX-1 Connection – 2232 – 13 yrs.	\$57.02	\$0.00
3 Repeaters – 2232 – 13 yrs.	\$0.00	\$342.34
4 Land – 2111 – 97 yrs.	\$0.41	\$2.55
5 Building – 2121 – 44 yrs.	5.73	34.37
6		
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21 DEPRECIATION EXPENSE	\$6.11	\$36.68
22 COST OF MONEY (\$ Amount)	\$5.70	\$34.20
23 COST OF MONEY (Percentage)	13.78%	13.76%
24 FEDERAL INCOME TAX	\$2.55	\$15.34
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes	\$0.33	\$1.95
27 Property Tax	\$0.26	\$1.58
28 Capital Stock	\$0.07	\$0.37
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$1.75	\$10.35
34 ADMIN and OTHER EXPENSE: List Expense	\$1.90	\$11.43
35 Network Operations Expense – 6510, 6530	\$0.27	\$1.44
36 Customer Operations – 6610	\$0.22	\$1.34
37 Corporate Operations – 6530, 6720	\$0.60	\$3.67
38 Plant Expenses – Other – 6720	\$0.10	\$0.59
39 Interest Expense – 2110	\$0.71	\$4.39
40		
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43		
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47		
48		
49		
50		
51 ANNUAL COST PER UNIT	\$18.34	\$109.95
52 MONTHLY COST PER UNIT	\$1.53	\$9.16
53 MONTHLY RATE PER UNIT	\$3.00	\$15.43
54 UNIT OF MEASUREMENT	per connection	per connection
55 RATIO: Rate / Direct Cost	2.23	1.92
56 RATIO: Rate / Unit Cost	1.96	1.68

Notes:

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DS1 Cross-Connection  
Cable and Cable Support Function  
Recurring Rate**

Exhibit 3, p. 2 of 2

	Rate Element #1 Connection Service – Partitioned Coax Cable	Rate Element #2 Connection Service – Partitioned Cable Rack, per foot
1 TOTAL INVESTMENT: List Plant & Equip.	\$23.59	\$5.34
2 Coax Cable – 2426 – 24 yrs.	\$21.30	\$0.00
3 Cable Racks – 2121 – 44 yrs.	\$0.00	\$4.82
4 Land – 2111 – 97 yrs.	\$0.16	\$0.04
5 Building – 2121 – 44 yrs.	\$2.13	\$0.48
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21 DEPRECIATION EXPENSE	\$1.79	\$0.13
22 COST OF MONEY (\$ Amount)	\$2.42	\$0.59
23 COST OF MONEY (Percentage)	15.05%	13.50%
24 FEDERAL INCOME TAX	\$1.08	\$0.26
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes	\$0.13	\$0.05
27 Property Tax	\$0.10	\$0.04
28 Capital Stock	\$0.03	\$0.01
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$0.31	\$0.15
34 ADMIN and OTHER EXPENSE: List Expense	\$0.71	\$0.16
35 Network Operations Expense – 6510, 6530	\$0.10	\$0.02
36 Customer Operations – 6610	\$0.08	\$0.02
37 Corporate Operations – 6530, 6720	\$0.22	\$0.05
38 Plant Expenses – Other – 6720	\$0.04	\$0.01
39 Interest Expense – 2110	\$0.27	\$0.06
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51 ANNUAL COST PER UNIT	\$6.44	\$1.34
52 MONTHLY COST PER UNIT	\$0.54	\$0.11
53 MONTHLY RATE PER UNIT	\$0.90	\$0.19
54 UNIT OF MEASUREMENT	per connection	per connection, per foot
55 RATIO: Rate / Direct Cost	1.94	1.99
56 RATIO: Rate / Unit Cost	1.68	1.68

**Notes:**

- 1) Rate Element #2: Bell Atlantic has revised its rate structure -- cable rack was removed from the connection service and is now offered on a per foot basis. This TRP shows the originally filed costs on a per foot basis. The attached exhibit X reconciles the per foot costs and the originally filed costs.
- 2) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DS1 Cross-Connection  
Equipment Function – Virtual  
Recurring Rate**

Exhibit 4, p. 1 of 2

	<u>Rate Element #1</u> Cross-Connect	<u>Rate Element #2</u> Connection Service – Partitioned Frame/Equip. Mntc.
1	<b>TOTAL INVESTMENT: List Plant &amp; Equip.</b>	
2	DSX-1 Connection – 2232 – 13 yrs.	\$63.16
3	Fiber Distr. Shelf – 2232 – 13 yrs.	\$5,696.43
4	Equipment Maint. Expense – 2232 – 13 yrs.	\$57.02
5	Land – 2111 – 97 yrs.	\$0.00
6	Building – 2121 – 44 yrs.	\$106.40
7		\$0.00
8		5107.67
9		\$0.41
10		\$35.93
11		5.73
12		
13		
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19		
20		
21	<b>DEPRECIATION EXPENSE</b>	\$6.11
22	<b>COST OF MONEY (\$ Amount)</b>	\$22.12
23	<b>COST OF MONEY (Percentage)</b>	\$5.70
24	<b>FEDERAL INCOME TAX</b>	13.78%
25	<b>STATE AND LOCAL INCOME TAX</b>	1.47%
26	<b>OTHER TAX: List Taxes</b>	\$2.55
27	Property Tax	\$28.85
28	Capital Stock	\$0.33
29		\$39.52
30		\$0.26
31		\$33.88
32		\$0.07
33	<b>MAINTENANCE EXPENSE</b>	\$5.64
34	<b>ADMIN and OTHER EXPENSE: List Expense</b>	
35	Network Operations Expense – 6510, 6530	\$1.75
36	Customer Operations – 6610	\$156.53
37	Corporate Operations – 6530, 6720	\$1.90
38	Plant Expenses – Other – 6720	\$160.19
39	Interest Expense – 2110	\$0.27
40		\$23.76
41		\$0.22
42		\$19.02
43		\$0.60
44		\$50.98
45		\$0.10
46		\$8.55
47		\$0.71
48		\$57.88
49		
50		
51	<b>ANNUAL COST PER UNIT</b>	\$18.34
52	<b>MONTHLY COST PER UNIT</b>	\$470.65
53	<b>MONTHLY RATE PER UNIT</b>	\$1.53
54	<b>UNIT OF MEASUREMENT</b>	\$39.22
		\$3.00
		\$66.07
		per connection
55	<b>RATIO: Rate / Direct Cost</b>	2.23
56	<b>RATIO: Rate / Unit Cost</b>	2.93
		1.96
		1.68

**Notes:**

1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DS1 Cross-Connection  
Cable and Cable Support Function – Virtual  
Recurring Rate**

Exhibit 4, p. 2 of 2

		<b>Rate Element #1 Connection Service – Partitioned Coax Cable</b>
1	<b>TOTAL INVESTMENT: List Plant &amp; Equip.</b>	<b>\$12.40</b>
2	Coax Cable – 2426.10 – 24 yrs.	\$11.20
3	Land – 2111 – 97 yrs.	\$0.08
4	Building – 2121 – 44 yrs.	\$1.12
5		
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20		
21	<b>DEPRECIATION EXPENSE</b>	<b>\$0.94</b>
22	<b>COST OF MONEY (\$ Amount)</b>	<b>\$1.27</b>
23	<b>COST OF MONEY (Percentage)</b>	<b>15.05%</b>
24	<b>FEDERAL INCOME TAX</b>	<b>\$0.57</b>
25	<b>STATE AND LOCAL INCOME TAX</b>	
26	<b>OTHER TAX: List Taxes</b>	<b>\$0.06</b>
27	Property Tax	\$0.05
28	Capital Stock	\$0.01
29		
30		
31		
32		
33	<b>MAINTENANCE EXPENSE</b>	<b>\$0.16</b>
34	<b>ADMIN and OTHER EXPENSE: List Expense</b>	<b>\$0.37</b>
35	Network Operations Expense – 6510, 6530	\$0.05
36	Customer Operations – 6610	\$0.04
37	Corporate Operations – 6530, 6720	\$0.12
38	Plant Expenses – Other – 6720	\$0.02
39	Interest Expense – 2110	\$0.14
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51	<b>ANNUAL COST PER UNIT</b>	<b>\$3.37</b>
52	<b>MONTHLY COST PER UNIT</b>	<b>\$0.28</b>
53	<b>MONTHLY RATE PER UNIT</b>	<b>\$0.47</b>
54	<b>UNIT OF MEASUREMENT</b>	<b>per connection</b>
55	<b>RATIO: Rate / Direct Cost</b>	<b>1.93</b>
56	<b>RATIO: Rate / Unit Cost</b>	<b>1.68</b>

**Notes:**

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**DC Power Generation Function  
Recurring Rate**

**Exhibit 5**

		Rate Element #1 DC Power Charge
1	TOTAL INVESTMENT: List Plant & Equip.	\$64,728.80
2	Power Equipment – 2232 – 13 yrs.	\$44,900.00
3	Power Conductors – 2426 – 24 yrs.	\$5,300.00
4	Diesel Auxiliary Eq. – 2121 – 44 yrs.	\$8,400.00
5	Land – 2111 – 97 yrs.	\$428.72
6	Building – 2121 – 44 yrs.	\$5,700.08
7		
8		
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19		
20		
21	DEPRECIATION EXPENSE	\$5,361.42
22	COST OF MONEY (\$ Amount)	\$6,039.71
23	COST OF MONEY (Percentage)	13.99%
24	FEDERAL INCOME TAX	\$2,771.68
25	STATE AND LOCAL INCOME TAX	
26	OTHER TAX: List Taxes	\$350.42
27	Property Tax	\$302.92
28	Capital Stock	\$47.50
29		
30		
31		
32		
33	MAINTENANCE EXPENSE	\$1,493.39
34	ADMIN and OTHER EXPENSE: List Expense	\$1,862.46
35	Network Operations Expense – 6510, 6530	\$312.96
36	Customer Operations – 6610	\$225.07
37	Corporate Operations – 6530, 6720	\$567.49
38	Plant Expenses – Other – 6720	\$97.97
39	Interest Expense – 2110	\$658.97
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51	ANNUAL COST	\$17,879.08
52	MONTHLY COST	\$1,489.92
53	MONTHLY AC POWER COST	\$572.00
54	TOTAL MONTHLY COST	\$2,061.92
55	MONTHLY COST PER 10 AMPs	\$137.46
56	MONTHLY RATE PER UNIT	\$206.00
57	UNIT OF MEASUREMENT	per 10 amps
58	RATIO: Rate / Direct Cost	0.16
59	RATIO: Rate / Unit Cost	0.14

**Notes:**

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.
- 2) Rows 58 & 59: Ratio does not account for the AC power costs.

**Entrance Facility Space Function  
Recurring Rate**

**Exhibit 6**

		<b>Rate Element #1 Cable Support Fee</b>
1	TOTAL INVESTMENT: List Plant & Equip.	\$12,486.72
2	C.O. Manhole – 2441 – 60 yrs.	\$650.72
3	Entrance Conduit – 2441 – 60 yrs.	\$1,111.00
4	C.O. Vault – 2121 – 40 yrs.	\$800.00
5	Riser Duct – 2441 – 60 yrs.	\$1,800.00
6	Cable Rack – 2121 – 40 yrs.	\$2,125.00
7	Conduit – 2441 – 60 yrs.	\$6,000.00
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19		
20		
21	DEPRECIATION EXPENSE	\$294.88
22	COST OF MONEY (\$ Amount)	\$1,367.47
23	COST OF MONEY (Percentage)	13.24%
24	FEDERAL INCOME TAX	\$625.92
25	STATE AND LOCAL INCOME TAX	
26	OTHER TAX: List Taxes	\$67.88
27	Property Tax	\$57.73
28	Capital Stock	\$10.15
29		
30		
31		
32		
33	MAINTENANCE EXPENSE	\$167.99
34	ADMIN and OTHER EXPENSE: List Expense	\$357.44
35	Network Operations Expense – 6510, 6530	\$60.43
36	Customer Operations – 6610	\$43.27
37	Corporate Operations – 6530, 6720	\$109.23
38	Plant Expenses – Other – 6720	\$18.89
39	Interest Expense – 2110	\$125.62
40		
41		
42		
43		
44		
45		
46		
47		
48		
49		
50		
51	ANNUAL COST PER UNIT	\$2,881.58
52	MONTHLY COST PER UNIT	\$240.13
53	MONTHLY RATE PER UNIT	\$405.00
54	UNIT OF MEASUREMENT	per cable
55	RATIO: Rate / Direct Cost	1.98
56	RATIO: Rate / Unit Cost	1.69

**Notes:**

1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

Entrance Facility Space Function – Virtual  
Recurring Rate

Exhibit 7

		Rate Element #1 Cable Support Fee
1	TOTAL INVESTMENT: List Plant & Equip.	\$10,858.98
2	C.O. Manhole – 2441 – 60 yrs.	\$650.72
3	Entrance Conduit – 2441 – 60 yrs.	\$1,111.00
4	C.O. Vault – 2121 – 40 yrs.	\$800.00
5	Riser Duck – 2441 – 60 yrs.	\$3,900.00
6	Cable Rack – 2121 – 40 yrs.	\$425.00
7	Cable Maintenance – 2426.10 – 22 yrs.	\$3,972.26
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19		
20		
21	DEPRECIATION EXPENSE	\$160.55
22	COST OF MONEY (\$ Amount)	\$753.74
23	COST OF MONEY (Percentage)	8.38%
24	FEDERAL INCOME TAX	\$344.97
25	STATE AND LOCAL INCOME TAX	
26	OTHER TAX: List Taxes	\$55.54
27	Property Tax	\$46.54
28	Capital Stock	\$9.00
29		
30		
31		
32		
33	MAINTENANCE EXPENSE	\$145.66
34	ADMIN and OTHER EXPENSE: List Expense	\$310.85
35	Network Operations Expense – 6510, 6530	\$52.56
36	Customer Operations – 6610	\$37.63
37	Corporate Operations – 6530, 6720	\$94.99
38	Plant Expenses – Other – 6720	\$16.43
39	Interest Expense – 2110	\$109.24
40		
41		
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49		
50		
51	ANNUAL COST PER UNIT	\$1,771.31
52	MONTHLY COST PER UNIT	\$147.61
53	MONTHLY RATE PER UNIT	\$249.00
54	UNIT OF MEASUREMENT	per cable
55	RATIO: Rate / Direct Cost	2.13
56	RATIO: Rate / Unit Cost	1.69

Notes:

1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.



		Rate Element Name #1 Connection Service - Partitioned Repeaters
1	TOTAL INVESTMENT: List Plant & Equip.	\$684.69
2	DSX-3 Connection - 2232.22 - 13 yrs.	\$0.00
3	Repeaters - 2232.22 - 13 yrs.	\$684.69
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20		
21	DEPRECIATION EXPENSE	\$71.70
22	COST OF MONEY (\$ Amount)	\$60.11
23	COST OF MONEY (Percentage)	13.51%
24	FEDERAL INCOME TAX	\$26.89
25	STATE AND LOCAL INCOME TAX	
26	OTHER TAX: List Taxes	
27		
28		
29		
30		
31		
32		
33	MAINTENANCE EXPENSE	\$18.87
34	ADMIN and OTHER EXPENSE: List Expense	
35		
36		
37		
38		
39		
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44		
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46		
47		
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49		
50		
51	ANNUAL COST PER UNIT	\$177.57
52	MONTHLY COST PER UNIT	\$14.80
53	MONTHLY RATE PER UNIT	\$21.24
54	UNIT OF MEASUREMENT	
55		
55	RATIO: Rate / Direct Cost	1.44
56	RATIO: Rate / Unit Cost	1.44

Notes:

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

	Rate Element #1 Connection Service -- Partitioned Coax Cable	Rate Element #2 Network Cable Rack
1 TOTAL INVESTMENT: List Plant & Equip.	\$220.00	\$4.82
2 Coax Cable -- 2426.10 -- 24 yrs.	\$220.00	\$0.00
3 Cable Racks -- 2121 -- 44 yrs.	\$0.00	\$4.82
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20		
21 DEPRECIATION EXPENSE	\$17.95	\$0.12
22 COST OF MONEY (\$ Amount)	\$22.39	\$0.53
23 COST OF MONEY (Percentage)	15.05%	13.50%
24 FEDERAL INCOME TAX	\$9.96	\$0.24
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes		
27		
28		
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$2.65	\$0.13
34 ADMIN and OTHER EXPENSE: List Expense		
35		
36		
37		
38		
39		
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41		
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48		
49		
50		
51 ANNUAL COST PER UNIT	\$52.95	\$1.02
52 MONTHLY COST PER UNIT	\$4.41	\$0.09
53 MONTHLY RATE PER UNIT	\$6.33	\$0.13
54 UNIT OF MEASUREMENT	per connection	per connection, per foot
55		
55 RATIO: Rate / Direct Cost	1.44	1.52
56 RATIO: Rate / Unit Cost	1.44	1.52

Notes:

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

## DS1 Cross-Connection

## Equipment Function

## Recurring Rate

		Rate Element Name #1
		Connection Service -
		Partitioned
		Repeaters
1	TOTAL INVESTMENT: List Plant & Equip.	\$342.34
2	DSX-1 Connection - 2232.22 - 13 yrs.	\$0.00
3	Repeaters - 2232.22 - 13 yrs.	\$342.34
4		
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20		
21	DEPRECIATION EXPENSE	\$35.85
22	COST OF MONEY (\$ Amount)	\$30.06
23	COST OF MONEY (Percentage)	13.52%
24	FEDERAL INCOME TAX	\$13.45
25	STATE AND LOCAL INCOME TAX	
26	OTHER TAX: List Taxes	
27		
28		
29		
30		
31		
32		
33	MAINTENANCE EXPENSE	\$9.44
34	ADMIN and OTHER EXPENSE: List Expense	
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
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50		
51	ANNUAL COST PER UNIT	\$88.80
52	MONTHLY COST PER UNIT	\$7.40
53	MONTHLY RATE PER UNIT	\$10.62
54	UNIT OF MEASUREMENT	per connection
55		
55	RATIO: Rate / Direct Cost	1.44
56	RATIO: Rate / Unit Cost	1.44

## Notes:

1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

	Rate Element #1 Connection Service - Partitioned Coax Cable	Rate Element #2 Network Cable Rack
1 TOTAL INVESTMENT: List Plant & Equip.	\$21.30	\$4.82
2 Coax Cable - 2426.10 - 24 yrs.	\$21.30	\$0.00
3 Cable Racks - 2121 - 44 yrs.	\$0.00	\$4.82
4		
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15		
16		
17		
18		
19		
20		
21 DEPRECIATION EXPENSE	\$1.74	\$0.12
22 COST OF MONEY (\$ Amount)	\$2.17	\$0.53
23 COST OF MONEY (Percentage)	15.05%	13.50%
24 FEDERAL INCOME TAX	\$0.97	\$0.24
25 STATE AND LOCAL INCOME TAX		
26 OTHER TAX: List Taxes		
27		
28		
29		
30		
31		
32		
33 MAINTENANCE EXPENSE	\$0.26	\$0.13
34 ADMIN and OTHER EXPENSE: List Expense		
35		
36		
37		
38		
39		
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41		
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43		
44		
45		
46		
47		
48		
49		
50		
51 ANNUAL COST PER UNIT	\$5.14	\$1.02
52 MONTHLY COST PER UNIT	\$0.43	\$0.09
53 MONTHLY RATE PER UNIT	\$0.61	\$0.13
54 UNIT OF MEASUREMENT	per connection	per connection, per foot
55		
55 RATIO: Rate / Direct Cost	1.44	1.52
56 RATIO: Rate / Unit Cost	1.44	1.52

Notes:

- 1) Row 24: Includes both Federal Income Tax and State and Local Income Tax.

**EXHIBIT 10****CABLE RACK, per FOOT  
Derivation from original Connection Service Costs**

Original cable rack investment	\$1,334.13
Assumed number of feet	<u>250</u>
Cable rack investment, per foot	<u>\$5.34</u>

	<b>Cable Rack Portion of Original Costs</b>	<b>Cable Rack, per Foot TRP</b>	<b>Cable Rack * 250 ft. Comparison</b>
<b><i>Investment</i></b>	\$1,334.13	\$5.34	\$1,335.00
Depreciation	\$33.18	\$0.13	\$32.50
Cost of Money	\$147.84	\$0.59	\$147.50
Income Tax	\$65.96	\$0.26	\$65.00
Maintenance	\$36.30	\$0.15	\$37.50
Administration	\$40.09	\$0.16	\$40.00
Other Tax	<u>\$11.17</u>	<u>\$0.05</u>	<u>\$12.50</u>
<b><i>Annual Cost</i></b>	\$334.54	\$1.34	\$335.00
<b><i>Monthly Cost</i></b>	\$27.88	\$0.11	\$27.92
<b><i>Derived Rate</i></b>		\$0.19	\$47.03

**Note:**

Bell Atlantic revised the connection service rate structure and now offers cable rack on a per foot basis. Bell Atlantic included in the TRP (Trans # 557) cable rack investment and costs on a per foot basis using the standard costing methodology reflected in all of the original costs. In order to close to the original connection service rates which included an assumed cable rack footage, Bell Atlantic multiplied the per foot investment by 250 feet. This exhibit demonstrates that the numbers are comparable. The comparison numbers are used to close to the original rates on Exhibit 11.

**DATA COMPARISON  
TRP v. WORKPAPERS  
ORIGINAL RATES – TRANSMITTAL No. 557**

**CROSS-CONNECT****DS3****WP 5-1 (#557)**

Investment	\$970.63
Monthly Unit Cost	\$23.30

**TRP, X-Connect/Equipment**

Investment	\$970.63
Monthly Unit Cost	\$23.30

**DS1****WP 5-1 (#557)**

Investment	\$63.15
Unit Cost	\$1.53

**TRP, X-Connect/Equipment**

Investment	\$63.16
Unit Cost	1.53

**CONNECTION SERVICE****DS3 – PHYSICAL****WP 5-2 (#557)**

Investment	\$2,336.36
Unit Cost	\$51.75
Unit Rate	\$88.00

**TRP, X-Connect/Equip.  
& Cable Functions**

	<i>Repeater</i>	<i>COAX</i>	<i>Rack/ft.</i>	<i>Rack/250 ft.</i>	<b>SUM/250 ft.</b>
Investment	\$758.53	\$243.70	\$5.34	\$1,335.00	\$2,337.23
Unit Cost	\$18.32	\$5.55	\$0.11	\$27.92	\$51.79
Unit Rate	\$30.86	\$9.34	\$0.19	\$47.03	\$87.23

**DS3 – VIRTUAL****WP 5-2 (#557)**

Investment	\$22,909.19
Unit Cost	\$152.31
Unit Rate	\$257.00

**TRP, X-Connect/Equip.  
& Cable Functions**

	<i>Frame/ Equip. Maint.</i>	<i>COAX</i>	<b>SUM</b>
Investment	\$22,889.67	\$19.49	\$22,909.16
Unit Cost	\$151.87	\$0.44	\$152.31
Unit Rate	\$255.83	\$0.75	\$256.58

**DATA COMPARISON  
TRP v. WORKPAPERS  
ORIGINAL RATES – TRANSMITTAL No. 557**

**CONNECTION SERVICE****DS1 – PHYSICAL****WP 5-2 (#557)**

Investment	\$1,736.99
Unit Cost	\$37.58
Unit Rate	\$64.00

**TRP, X-Connect/Equip.  
& Cable Functions**

	<i>Repeater</i>	<i>COAX</i>	<i>Rack/ft.</i>	<i>Rack/250 ft.</i>	<b>SUM/250 ft.</b>
Investment	\$379.26	\$23.59	\$5.34	\$1,335.00	\$1,737.85
Unit Cost	\$9.16	\$0.54	\$0.11	\$27.92	\$37.62
Unit Rate	\$15.43	\$0.90	\$0.19	\$47.03	\$63.36

**DS1 – VIRTUAL****WP 5-2 (#557)**

Investment	\$5,708.84
Unit Cost	\$39.50
Unit Rate	\$67.00

**TRP, X-Connect/Equip.  
& Cable Functions**

	<i>Frame/ Equip. Maint.</i>	<i>COAX</i>	<b>SUM</b>
Investment	\$5,696.43	\$12.40	\$5,708.83
Unit Cost	\$39.22	\$0.28	\$39.50
Unit Rate	\$66.07	\$0.47	\$66.54

**DC POWER CHARGE****WP 5-7 (#557)**

Investment	\$64,728.80
Unit Cost	\$2,061.92
Unit Cost per 10 amps	\$137.46
Unit Rate	\$206.00

**TRP, Power Generation  
Function**

Investment	\$64,728.80
Unit Cost	\$2,061.92
Unit Cost per 10 amps	\$137.46
Unit Rate	\$206.00

DATA COMPARISON  
TRP v. WORKPAPERS  
ORIGINAL RATES – TRANSMITTAL No. 557

**CABLE SUPPORT FEE****PHYSICAL****WP 5-5 (#557)**

Investment	\$12,486.72
Unit Cost	\$240.13
Unit Rate	\$405.00

**TRP, Entrance Facility****Space Function**

Investment	\$12,486.72
Unit Cost	\$240.13
Unit Rate	\$405.00

**VIRTUAL****WP 5-6 (#557)**

Investment	\$10,858.98
Unit Cost	\$147.61
Unit Rate	\$249.00

**TRP, Entrance Facility****Space Function**

Investment	\$10,858.98
Unit Cost	\$147.61
Unit Rate	\$249.00



## EXHIBIT 12

**DATA COMPARISON  
TRP v. WORKPAPERS  
SUBSEQUENT CHANGES – TRANSMITTAL No. 585**

**NETWORK CABLE RACK****WP 4-2 (#585)**

Investment	\$4.82
Unit Cost	\$0.09
Unit Rate	\$0.13

**TRP, July 16, X-Connect/  
Cable Function**

Investment	\$4.82
Unit Cost	\$0.09
Unit Rate	\$0.13

**CONNECTION SERVICE****DS3 – PHYSICAL****WP 4-3 (#585)**

Investment	\$904.69
Unit Cost	\$19.21
Unit Rate	\$27.57

**TRP, July 16, X-Connect/  
Equip & Cable Function**

	<i>Repeater</i>	<i>Cable</i>	<b>SUM</b>
Investment	\$684.69	\$220.00	\$904.69
Unit Cost	\$14.80	\$4.41	\$19.21
Unit Rate	\$21.24	\$6.33	\$27.57

**DS1 – PHYSICAL****WP 4-3 (#585)**

Investment	\$363.64
Unit Cost	\$7.83
Unit Rate	\$11.24

**TRP, July 16, X-Connect/  
Equip & Cable Function**

	<i>Repeater</i>	<i>Cable</i>	<b>SUM</b>
Investment	\$342.34	\$21.30	\$363.64
Unit Cost	\$7.40	\$0.43	\$7.83
Unit Rate	\$10.62	\$0.61	\$11.23